

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

---

In re Patent Application of: Jeff EDER

Application No.: 10/025, 794

Art Unit: 3693

Confirmation No: 5962

Examiner: Richard Weisberger

Filed: December 26, 2001

---

For: Process Optimization System

---

LETTER

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir or Madam:

Under the provisions of MPEP § 2001.06(b) the Assignee is advising the Examiner of developments in copending applications that MAY BE material to patentability. To that end, a declaration under Rule 132 first prepared for another application is being submitted concurrently.

It is well known to those of average skill in the art of mathematical modeling that simulation requires the development of a model of the entity or phenomenon that is going to be simulated. The attached declaration under Rule 132 notes among other things that an invention that has no model of market sentiment or real option value can not be used simulate real option or market sentiment value and/or risk. As noted in the declaration, the same deficiency prevents the analysis and simulation of derivative and investment value and/or risk.

The invention described in the declaration develops market space models. The market space models rely on a number of things including descriptions of equipment items within the production equipment element of value to complete market space simulations. These market space simulations apparently identify market share and price levels for the different offerings and a portion of current operation cash flow (the portion derived from direct sales) over a series of future time periods. Because the market space model lacks a complete model of a current

operation and/or a complete model of even a single element of value they also can not be used to analyze or simulate current operation value and/or risk in a manner that is any way similar to the manner disclosed in the above referenced application.

By way of contrast, the invention described in the above referenced application develops models for the current operation, market sentiment, derivative and investment segments using an approach similar to that outlined in the left column below.

Summary of 10/645,099	Summary of 7,283,982 filed in 2003
1. Transform raw data into indicators using pre-programmed functions and Linus/AQ algorithms	1. Use <u>any</u> technique to derive a basic model
2. Develop an initial model using the raw and transformed data as inputs by: a) creating parallel models using different specified algorithms, and b) using <b>stepwise regression</b> to identify the best set of input variables for the models for each algorithm type	2. Develop an initial model by: a) deriving features from the input to the basic model using <u>any</u> current transform regression algorithm , and b) using <b>stepwise regression</b> to select the input features for the initial regression model
3. Refine the variable selection from 2b) and then <u>transform</u> the resulting set of input variables into summaries using different specified algorithms	3. Complete a non-linear <u>transformation</u> of an explanatory input feature(s) from the initial model
	4. Use the transformed input features to create a new linear regression model
4. Use the best summary of transformed input data from 3 to create a <u>final model</u>	5. Combine the output of the new linear regression model with the output of the initial model and use the sum to provide a <u>final model</u> for the current iteration
	6. Repeat steps 3 through 5 indefinitely

The declaration makes it clear that the development and use of models like these is not taught or suggested by the cited document (Bonabeau).

Dated: July 13, 2008

Respectfully submitted,  
Asset Trust, Inc.

/B.J. Bennett/

B.J. Bennett, President